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MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2016 / 2017

DBL5018 – BUSINESS LAW
(For Diploma Students Only)

25 FEBRUARY 2017
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 3 pages with 4 questions.
2. Answer all questions.
3. You are required to cite provisions and case laws where relevant.
4. Write all your answers in the Answer Booklet provided.

QUESTION 1

In Malaysia, the law relating to companies is mainly contained in the Companies Act 1965 with several subsidiary legislations which must be read alongside with the Act.

- a) Companies can be classified in a number of ways. With reference to the provisions in the Companies Act 1965, explain the following:

i. Public Company

(5 marks)

ii. Holding Company

(5 marks)

- b) In January 2012, Row Tea Bakery Sdn. Bhd. was incorporated with an object clause to manufacture and process confectionary items such as breads, pastries and biscuits. The company consists of five directors which were also the shareholders of the company. Two of them, Ji Hyo and Kwang Soo, were appointed as executive directors. The company was doing very well throughout the year of 2012.

After three years of its incorporation, the company faced some financial difficulties and competing companies in the same industry. Since then, the company has not been profitable and was heavily in debt. The company failed to pay its debts to the creditors for several months.

Even though the directors of the company were fully aware of the situation, Ji Hyo decided to enter into a new contract with a supplier, Pengedar Tepung Sdn. Bhd. She bought 30 boxes of flour and 5 packets of oil on behalf of the company.

Unfortunately, the business continued to decline and the company went into liquidation. A liquidator was appointed for such purpose. The liquidator seeks your advice on whether Ji Hyo can be made personally liable for the contract with Pengedar Tepung Sdn. Bhd. Advise the liquidator.

(15 marks)

[Total : 25 Marks]

QUESTION 2

In a hire purchase agreement, property in the goods does not pass at the time of the agreement whilst in a contract of sale, property in the goods passes at the time of the agreement or upon or at any time before delivery of the goods.

- a) Define the following:

i. Owner

(2 marks)

ii. Dealer

(2 marks)

Continued...

iii. Price

(2 marks)

b) With reference to the provisions in the Hire Purchase Act 1967, state the following:

i. Any (3) **THREE** contents of a hire purchase agreement as provided in Section 4C(1) of Hire Purchase Act 1967

(3 marks)

ii. Any (4) **FOUR** statutory rights of a hirer

(8 marks)

c) According to Section 17 of the Hire Purchase Act 1967, the owner must not sell or dispose of the goods for 21 days after repossession. Explain the rights of the hirer after repossession has been carried out.

(8 marks)

[Total : 25 Marks]

QUESTION 3

a) At the age of 17 years old, Gary received a scholarship offer from Running Man University for his excellent results in SPM trial. There were several clauses in the contract including the following ...

10. Scholarship Amount

10.1 The institution will provide the beneficiary all costs and responsibilities including university fees, textbooks and other university-related miscellaneous and incidental expenses.

10.1 The beneficiary is entitle to receive RM 1, 500 monthly for personal expenses.

11. Academic Requirement

11.1 Failure of the beneficiary's part to obtain a minimum of 3.5 cumulative grade point average (CGPA) upon completion of study, the beneficiary will be liable to repay 50% of the scholarship amount to the institution.

He was confident that he will be able to adhere to the contract and signed the contract in November 2012. After successfully obtained 11As in his SPM, he was sent to Kuala Lumpur for his preparation to New Zealand.

In January 2016, he came back to Malaysia after graduated with a CGPA of 3.48. He refused to repay 50% of the scholarship amount to Running Man University and claimed that the contract was void since he was a minor when he signed the contract.

As a legal representative of the University, advise the University whether action can be taken towards Gary for his refusal to repay 50% of the scholarship amount.

(15 marks)

Continued...

- b) With reference to the provisions in the Contracts Act 1950, state the consequences of a void contract.
(2 marks)
- c) Define the following:
- i. Express Terms
(2 marks)
 - ii. Coercion
(2 marks)
 - iii. Undue Influence
(2 marks)
 - iv. Fraud
(2 marks)

[Total : 25 Marks]

QUESTION 4

- a) State any (2) TWO differences between public law and private law.
(10 marks)
- b) The rules that make up the laws of Malaysia come from various sources of law including written law and unwritten law. These are the rules which Malaysian courts refer to and apply in resolving disputes. Explain the following:
- i. Customs
(3 marks)
 - ii. Judicial decisions
(2 marks)
- c) Our judicial system in Malaysia evolves around the court structure. Explain the composition and jurisdiction of High Court as one of the superior courts in Malaysia.
(10 marks)

[Total : 25 Marks]

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